MONTANA LEGISLATIVE HISTORY

Chapter 597 19 91

Bill H _____ S 468 Original bill & history ____C

| H. Committee on Taxation | | | S. Committee on Taxation | | |
|---|---|---|---|---|---|
| Hearing Date(s) | Apr 11 | ✓ C | Hearing Date(s) | Mar 26 | ✓ C |
| | Apr 12 | ✓ C | | Mar 28 | ✓ C |
| | | ____C | | | ____C |
| | | ____C | | | ____C |
| Date Out | Apr 13 | ✓ C | | | |

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Did this bill originate in an interim committee? ____Yes ____No

Committee _____ Report _____

| | | | |
|---|---|---|---|
| 3/27 | HEARING | | |
| 4/02 | FISCAL NOTE PRINTED | | |
| 4/05 | TABLED IN COMMITTEE | | |

SB 468 INTRODUCED BY GAGE

CLARIFY DEFINITION AND ADMINISTRATION OF OIL AND GAS LOCAL GOVERNMENT SEVERANCE TAX

BY REQUEST OF SENATE TAXATION COMMITTEE

| | | | |
|---|---|---|---|
| 3/20 | INTRODUCED | | |
| 3/20 | FIRST READING | | |
| 3/20 | REFERRED TO TAXATION | | |
| 3/22 | FISCAL NOTE RECEIVED | | |
| 3/22 | FISCAL NOTE PRINTED | | |
| 3/26 | HEARING | | |
| 3/28 | COMMITTEE REPORT—BILL PASSED AS AMENDED | | |
| 4/02 | 2ND READING PASSED | 49 | 0 |
| 4/03 | 3RD READING PASSED | 49 | 0 |
| | TRANSMITTED TO HOUSE | | |
| 4/04 | FIRST READING | | |
| 4/04 | REFERRED TO TAXATION | | |
| 4/11 | HEARING | | |
| 4/13 | COMMITTEE REPORT—BILL CONCURRED | | |
| 4/17 | 2ND READING CONCURRED | 92 | 6 |
| 4/17 | ON MOTION RULES SUSPENDED TO PLACE ON 3RD READING THIS DAY | | |
| 4/17 | 3RD READING CONCURRED | 92 | 6 |
| | RETURNED TO SENATE | | |
| 4/19 | SIGNED BY PRESIDENT | | |
| 4/20 | SIGNED BY SPEAKER | | |
| 4/20 | TRANSMITTED TO GOVERNOR | | |
| 4/24 | SIGNED BY GOVERNOR | | |
| | CHAPTER NUMBER 597 | EFFECTIVE DATE: 4/24/91 | |

SB 469 INTRODUCED BY HARDING, ET AL.

BASIC HEALTH INSURANCE FOR SMALL BUSINESS/HEALTH CARE ACT FOR UNINSURED

| | | | |
|---|---|---|---|
| 3/23 | INTRODUCED | | |
| 3/23 | FIRST READING | | |
| 3/23 | REFERRED TO PUBLIC HEALTH, WELFARE & SAFETY | | |
| 3/23 | FISCAL NOTE REQUESTED | | |
| 3/27 | HEARING | | |
| 3/28 | FISCAL NOTE PRINTED | | |
| 4/02 | COMMITTEE REPORT—BILL NOT PASSED | | |
| 4/02 | ADVERSE COMMITTEE REPORT ADOPTED | 44 | 5 |

SB 470 INTRODUCED BY TOWE

GENERALLY REVISING THE TAXATION OF COAL

| | | | |
|---|---|---|---|
| 3/26 | INTRODUCED | | |
| 3/26 | FIRST READING | | |
| 3/26 | REFERRED TO TAXATION | | |
| 4/02 | HEARING | | |
| 4/05 | TABLED IN COMMITTEE | | |

SB 471 INTRODUCED BY JERGESON, ET AL.

LONG-RANGE EQUIPMENT PURCHASING PLANNING

BY REQUEST OF HOUSE APPROPRIATIONS EDUCATION AND CULTURAL RESOURCES SUBCOMMITTEE

| | | | |
|---|---|---|---|
| 3/28 | INTRODUCED | | |
| 3/28 | FIRST READING | | |
| 3/28 | REFERRED TO FINANCE & CLAIMS | | |

Recommendation and Vote:

Senator Towe moved SB 416 Do Pass As Amended.

The motion CARRIED on a roll call vote (attached).

## HEARING ON SENATE BILL 468

Presentation and Opening Statement by Sponsor:

Senator Gage, District 5, said the bill was introduced at the request of the Taxation Committee and adds the language in the title that conforms the administration of the local government severance tax to the state severance tax. He reviewed the bill for the committee. The bill includes definitions of gross taxable value for the purpose of computing state severance tax and gross taxable value for the purpose of computing local government severance tax. One is the total sale value and the other is the sale value less royalty. The bill generally deals with "housekeeping" measures dealing with tertiary production, definitions, and changes in statutory language due to the change from net proceeds tax to flat tax.

Proponents' Testimony:

Denis Adams, Director, Department of Revenue, expressed support for the bill, saying it is a general clean-up of the statutes and necessary for the smooth operation of the severance tax provisions of the law.

Opponents' Testimony:

There were no opponents.

Questions From Committee Members:

There were no questions.

Closing by Sponsor:

Senator Gage closed.

## HEARING ON HOUSE BILL 334

Presentation and Opening Statement by Sponsor:

Rep. Swysgood, District 73, said the bill revises the taxation of certain livestock and allows the livestock owner to pay taxes on a prorated basis for livestock moved interstate

ROLL CALL

SENATE TAXATION COMMITTEE

DATE 2-4-

____ LEGISLATIVE SESSION ____

| NAME | PRESENT | ABSENT | EXCUSED |
|---|---|---|---|
| SEN. HALLIGAN | Y | | |
| SEN. ECK | | | E. |
| SEN. BROWN | Y | | |
| SEN. DOHERTY | Y | | |
| SEN. GAGE | Y | | |
| SEN. HARP | Y | | |
| SEN. KOEHNKE | Y | | Y |
| SEN. THAYER | Y | | |
| SEN. TOWE | Y | | |
| SEN. VAN VALKENBURG | Y | | |
| SEN. YELLOWTAIL | | | |
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Each day attach to minutes.

Proponents' Testimony:

Gordon Morris, MACo, said the sunset was the result of a political compromise and never has been completely clear. The Attorney General issued an opinion which said the imposition of new taxing authority approved by the voters is exempt from I105. Therefore, the sunset provision never did make sense in the bill.

Kay Foster, Billings Chamber of Commerce, said the city and county school districts and representatives of labor and industry met last year and agreed to support this bill.

Forrest Boles, President, Montana Chamber of Commerce, expressed support for the bill.

Opponents' Testimony:

There were no opponents.

Questions From Committee Members:

There were no questions.

Closing by Sponsor:

Representative Ream closed.

## EXECUTIVE ACTION ON HOUSE BILL 877

Recommendation and Vote:

Senator Van Valkenburg moved HB 877 Be Concurred In.

The motion CARRIED with Senator Gage voting no.

## EXECUTIVE ACTION ON SENATE BILL 468

Amendments, Discussion, and Votes:

Senator Gage moved to adopt the amendment as per Exhibit #3. He said it deals with the amortization of chemical costs on tertiary production. Now that the flat tax is in effect, that provision is no longer needed.

The motion CARRIED unanimously.

Recommendation and Vote:

Senator Gage moved SB 468 Do Pass As Amended.

The motion CARRIED unanimously.

## EXECUTIVE ACTION ON SENATE BILL 359

Motion:

Senator Eck moved to take SB 359 off the table.

The motion CARRIED with Senator Harp voting no.

Amendments, Discussion, and Votes:

Senator Koehnke moved to amend the 50 mile provision to 30 miles. He said his concern was with towns like Townsend and Polson that are within 50 miles of a larger city. He felt that might cause doctors to move away from the smaller towns.

Senator Van Valkenburg was concerned that the credit could really be abused by those people who live thirty miles away from the larger towns and commute back and forth.

Senator Harp felt the amendment was not necessary. He was just concerned that someone who lives on a little "ranchette" and drives into town to work should not qualify for the $15,000 exemption.

Senator Towe pointed out the language "sets up his practice" does not dictate where the doctor lives might choose to live.

Senator Eck said there is a crisis in health care in rural areas of the state and incentives are needed to get doctors to locate in those areas. The cost will be minimal to the state and the incentives indicate to small communities there is concern and help available in the form of incentives to help them obtain and keep a physician.

Senator Gage felt the incentives should be broken into yearly increments for three years with the physician only receiving the full exemption if he were to stay in the area for the full six years.

ROLL CALL

SENATE TAXATION COMMITTEE

DATE 3/25/91

52nd LEGISLATIVE SESSION

| NAME | PRESENT | ABSENT | EXCUSED |
|---|---|---|---|
| SEN. HALLIGAN | X | | |
| SEN. ECK | X | | |
| SEN. BROWN | X | | |
| SEN. DOHERTY | X | | |
| SEN. GAGE | X | | |
| SEN. HARP | X | | |
| SEN. KOEHNKE | X | | |
| SEN. THAYER | X | | |
| SEN. TOWE | X | | |
| SEN. VAN VALKENBURG | X | | |
| SEN. YELLOWTAIL | X | | |
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Each day attach to minutes.

SENATE TAXATION
EXHIBIT NO. 3
DATE 3/28/91
BILL NO. SB 468

Amendments to Senate Bill No. 468
First Reading Copy

Requested by Senator Gage
For the Committee on Taxation

Prepared by Jeff Martin
March 27, 1991

1. Page 18, lines 14 through 21.
Strike: "subsection (4) in its entirety"

SENATE STANDING COMMITTEE REPORT,


March 28, 1991

MR. PRESIDENT:

We, your committee on Taxation having had under consideration Senate Bill No. 468 (first reading copy -- white), respectfully report that Senate Bill No. 468 be amended and as so amended do pass:

1. Page 18, lines 14 through 21.
Strike: subsection (4) in its entirety

Signed: _____
Mike Halligan, Chairman

3-26-91
Amd. Coord.

3-28 11:45
Sec. of Senate

671127SC.Sji

afterwards, and this does not make for a good relationship. The negotiations on reserved water rights are currently taking place, and everything that the state does will have an effect on those negotiations. Some may call this blackmail; however, these water rights negotiations are critical to the state's welfare. This is a much broader bill than it appears to be.

## HEARING ON SB 468

Opening Statement:

**SEN. GAGE** explained the bill, which provides a number of clean-up and clarification measures proposed by DOR and the Senate Taxation Committee. These provisions could have been put into other bills, but because these other bills had political implications and were not guaranteed to pass, the committee thought it would be safer to make a separate bill for them. SB 468 defines the calculation of state and local government severance taxes. For state severance tax, gross taxable value means the sale price. For local government severance tax, gross taxable value means the sale price minus royalty. The bill includes the local government severance tax in the areas of warrant for restraint, small fees, negligence in filing a return, etc. The Board of Oil and Gas Conservation, rather than DOR, will now determine the qualifications for tertiary projects.

Proponents:

**Doug Abelin, Northern Montana Oil and Gas,** spoke in favor of the bill.

Opponents: None

Questions:

**REP. THOMAS** asked whether there had been any opposition to the bill in the Senate. **REP. GAGE** said there had not been.

## HEARING ON SB 359

Opening Statement:

**SENATOR DENNIS NATHE** explained the bill, which provides an incentive program to attract doctors back to rural areas. There are 18 counties in the state without any practicing M.D.'s, and 22 counties with no OB/GYN services. SB 359 is part of a three-pronged approach which includes increasing Medicaid rates for obstetric and pediatric services, and the surcharge on the WIChI/WAMI slots to generate funds to allow those programs to continue. SB 359 provides for a $5,000/year income tax credit for WIChI/WAMI graduates, applicable for three years. The bill specifies that the doctors be in practice for at least nine months in any one of those years in order to claim the deduction. "Rural areas" are defined as areas with one hospital of 50 beds

HOUSE OF REPRESENTATIVES

TAXATION COMMITTEE

ROLL CALL DATE 4/11/11

| NAME | PRESENT | ABSENT | EXCUSED |
|---|---|---|---|
| REP. DAN HARRINGTON | ✓ | | |
| REP. BEN COHEN, VICE-CHAIRMAN | ✓ | | |
| REP. BOB REAM, VICE-CHAIRMAN | ✓ | | |
| REP. ED DOLEZAL | ✓ | | |
| REP. JIM ELLIOTT | ✓ | | |
| REP. ORVAL ELLISON | ✓ | | |
| REP. RUSSELL FAGG | ✓ | | |
| REP. MIKE FOSTER | ✓ | | |
| REP. BOB GILBERT | ✓ | | |
| REP. MARIAN HANSON | ✓ | | |
| REP. DAVID HOFFMAN | ✓ | | |
| REP. JIM MADISON | ✓ | | |
| REP. ED MCCAFFREE | ✓ | | |
| REP. BEA MCCARTHY | ✓ | | |
| REP. TOM NELSON | ✓ | | |
| REP. MARK O'KEEFE | ✓ | | |
| REP. BOB RANEY | ✓ | | |
| REP. TED SCHYE | ✓ | | |
| REP. BARRY "SPOOK" STANG | ✓ | | |
| REP. FRED THOMAS | ✓ | | |
| REP. DAVE WANZENRIED | ✓ | | |
| | | | |
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HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER

TAXATION COMMITTEE BILL NO. SB 468

DATE 4/11/91 SPONSOR(S) GAGE

PLEASE PRINT PLEASE PRINT PLEASE PRINT

| NAME AND ADDRESS | REPRESENTING | SUPPORT | OPPOSE |
|---|---|---|---|
| Doug Abelin | N.M. Oil & Gas | ✓ | |
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PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

## DISCUSSION ON SB 459

**REP. GILBERT** said the bill erodes I-105.

Motion/Vote: **REP. ELLISON MOVED SB 459 BE TABLED.** Motion carried 12 to 9. **Exhibit 30**

## DISCUSSION ON SB 464

Motion/Vote: **REP. STANG MOVED SB 464 BE TABLED.** Motion carried 15 to 6 with **REPS. REAM, FAGG, MADISON, ELLIOTT, SCHYE** and **COHEN** voting no.

## DISCUSSION ON SB 468

Motion: **REP. O'KEEFE MOVED SB 468 BE CONCURRED IN.** The bill is a clean-up and clarification bill necessary after SB 1 and HB 28.

**REP. REAM** said the bill received a unanimous recommendation in subcommittee.

Vote: Motion passed 19 to 2 with **REPS. MCCAFFREE** and **COHEN** voting no.

Motion/Vote: **REP. ELLIOTT** moved to reconsider SB 464. Motion failed 4 to 17.

## DISCUSSION ON SB 435

**REP. THOMAS** said there did not seem to be much concern on either the sponsor's or the university system's part to pass the bill.

Motion/Vote: **REP. REAM** moved to adopt the amendments. **Exhibit 31** Motion passed 20 to 1 with **REP. GILBERT** voting no.

Motion: **REP. MCCARTHY** moved to amend SB 435 to provide that the measure be voted on in the November election rather than in the primary. Prior campaigns, such as the six-mill levy campaign, have been very successful with the voters and private businesses have also been willing to fund the campaigns.

**REP. ELLISON** spoke in favor of the amendment.

Vote: Motion carried unanimously.

Motion/Vote: **REP. THOMAS MOVED SB 435 BE TABLED.** Motion failed 8 to 13. **Exhibit 32**

Motion/Vote: **REP. REAM MOVED TO REVERSE VOTE ON SB 435. SB 435 BE CONCURRED IN AS AMENDED.** Motion carried 13 to 8. **Exhibit 33**

4.35
4-12-91
JDB

# HOUSE STANDING COMMITTEE REPORT

April 12, 1991


Mr. Speaker: We, the committee on Taxation report that Senate Bill 468 (third reading copy -- blue) be concurred in .

Signed: _____
Dan Harrington, Chairman

Carried by: Rep. M. Hanson

HOUSE OF REPRESENTATIVES

TAXATION COMMITTEE

ROLL CALL DATE 4/12/91

| NAME | PRESENT | ABSENT | EXCUSED |
|---|---|---|---|
| REP. DAN HARRINGTON | X | | |
| REP. BEN COHEN, VICE-CHAIRMAN | X | | |
| REP. BOB REAM, VICE-CHAIRMAN | X | | |
| REP. ED DOLEZAL | X | | |
| REP. JIM ELLIOTT | X | | |
| REP. ORVAL ELLISON | X | | |
| REP. RUSSELL FAGG | X | | |
| REP. MIKE FOSTER | X | | |
| REP. BOB GILBERT | X | | |
| REP. MARIAN HANSON | X | | |
| REP. DAVID HOFFMAN | X | | |
| REP. JIM MADISON | X | | |
| REP. ED MCCAFFREE | X | | |
| REP. BEA MCCARTHY | X | | |
| REP. TOM NELSON | X | | |
| REP. MARK O'KEEFE | X | | |
| REP. BOB RANEY | X | | |
| REP. TED SCHYE | X | | |
| REP. BARRY "SPOOK" STANG | X | | |
| REP. FRED THOMAS | X | | |
| REP. DAVE WANZENRIED | X | | |
| | | | |
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